

# LET'S CONNECT TO THE TALENTS!

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## **Abstract**

Since the regime change the Hungarian higher education has evolved significant changes, it does not have an integrated, long-term strategy. Due to the mass education the traditional professor-student relationship altered dramatically. So it is even more difficult to recognize and manage the gifted people who originate the motivate force/motivation to boost the economy and the society. Considering the companies it is indispensable/essential to invest into the human capital even if it is difficult and costly. There is not a general method, the HR managers use wide range of different tools to select the ideal candidates, who (nevertheless) within a few months prove to be incompetents. A viable pre-screening of them could facilitate this process. There are doubts whether the methodology of the institution's ranking in the higher education is adequate/correct. The Colleges for Advanced Studies movement operating in the higher education provide an excellent solution with pre-selectioning. There the personal development and the talent management work in an autonomous and self-organizing environment, completing so the educational system. Due to the high standard activity, the members can improve their skills through the participation and organization of various professional programs In that way they become a valued potential (future) colleague for those companies who are willing to invest time, human resources and money to create intensive connection with these organizations.

## **1. The change of the higher education system**

The Hungarian higher education has changed significantly since the regime change in 1989–90. In the recent years this process was accelerated, especially after the introduction of the Bologna Process. The number of the students in higher education has quadrupled,<sup>1</sup> today it is much easier to enter than two-three decades ago. Certain professions got en massed; the role of the public education was taken by the higher education and the role of the high school degree by the higher education graduation. During the application process the universities can not directly filter the candidates.<sup>2</sup> Already not only the talented ones can study in the higher education, on one hand because of the lower scores of the fee-paying trainings, on the other hand because of the increased number of state-funded quotas. Considering the last 20 years there was not a five years long period in which there was a consistent and valid higher education strategy. In this environment it is difficult to select the talented students, since there are less direct connections with the professors and a

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<sup>1</sup> [http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat\\_eves/i\\_zoi006.html](http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_eves/i_zoi006.html)

<sup>2</sup> There are some exceptions like the professions requiring aptitude tests (e.g. police).

much larger base from which those who are worth dedicating time and resources have to be chosen. During courses with several hundred students it is hard to connect to the gifted students, so they have to actively search the possible links. The higher education in nature has to adapt to the challenges of the labor market. However in the reality the structure of the graduates' professional degrees is in many years of delay respectively to the market needs. In the state-funded system the competitiveness is not ensured at the international level, because the institutions focus on maximizing the number of their students instead of the quality of the degrees (Barakonyi 2010). The Higher Education Strategy of 2011 generates major social resistance. Its implementation does not favor the intensity of the attention paid on the talented students.

## 2. The talent

First of all we have to clarify the general concept of talent to be able to determine the object of our study.

According to the literature a talented person has a creative way of thinking, and with an adequate motivation he or she can achieve an above-average performance. If the creativity, motivation and the above-average performance are accompanied with the supportive and monitoring intention of the environment, then the possibility to enhance personal skills and to find an appropriate education is ensured (Csíkszentmihályi et al. 2010).

There are several other approaches to determine the concept of talent. In general 4 factors are common: the first is the above-average performance within the above-average skills (abstraction, memory, communication skills, information processing and essence-orientation); the second is the IQ; the third contains the special skills; the forth consists of the task-related commitment and the motivation. The coexistence of these factors determines the visibility of the talents. The higher education is a decisive ladder in talent management. Its result depends greatly on the quality of the low and middle level of public education. If the right opportunities are taken on time, they can significantly increase the performance and the results of talent management (Fazekas 2009).

There are many ways to identify the talented students: the in and out of school performance, the opinion of the teachers, self-evaluation, intelligence measurement etc. One of the more important characteristics of talent that it is not necessarily accompanied by an outstanding school performance. For several decades, L. Terman has followed up above-average intelligent children in his researches (Terman 1986). He found that not the most intelligent ones became the greatest scientists: environmental factors, motivation and perseverance had significantly affected their future (Bognár 2008). So the environment is important in talent development, and connections with inspiring, similarly interested and or active students can stimulate further efforts, too.

Regarding its content, the main goal of talent management is the enrichment. Its goal is to broaden the process and the extent of the basic knowledge of study beyond the compulsory material. The only question to clarify is that it should be a quantitative or a qualitative one? In practical development work, the emphasis is on the qualitative enrichment which consists of:

- Depth of enrichment: different opportunities are offered for the talented children to apply their knowledge and skills.
- Time enrichment: talented children can learn more in the same given time than their schoolmates. So their enrichment can be solved by involving new contents.



- The content enrichment means to consider and develop the individual attitudes, needs and interests of the talented students.
- The processing skills enrichment primarily focus on the development of the creative and innovative way of thinking in an explorative and interdisciplinary activity (Balogh 2007).

According to the Higher Education Act the primary forms of talent management are the scientific conference for students (SCS), the doctoral program and the college for advanced studies.<sup>3</sup> The SCS has been the prominent platform of students who want to test themselves for more than a half century. It is organized spontaneously, politically independently. It is characterized by a direct and equal professor-student relationship and by correct and inspiring incentive system. The students can learn special professional skills, research in their own interest fields and work on their own. Furthermore their additional efforts are acknowledged by the participants of the labor market (Kiss 2008).

### 3. The war for talents

The American companies are permanently monitoring the performance-based student-rankings and offer job for the best even before the end of their studies. They do not provide direct financial support to the professors for the requested information, but they help them to obtain the necessary academic working conditions. In return they recommend some of their talented students. In Hungary the institutions of the higher education are ranked according to various aspects. The methodology<sup>4</sup> is fairly doubtful and relative. Therefore the competition exists rather among the universities. The student rankings of single institutions might be accepted only on regional level, but the requested factors can not be built in the structure of the education system.

Nowadays companies try to reach students in different ways: from the sponsorship of competitions over firm presentations to career days and job fairs.

Since the McKinsey-study „The war for talent” from 1997 many articles were published about the long-term opportunities of talent management planning (Pfeffer 2001, Michaels et al. 2001, Gladwell 2002, Lorinc 2006, Somaya-Williamson 2008, Carter 2011). However companies have still not recognized its importance. The market success might be based on the investment in talents, because the human capital-intensive service sector develops the most dynamically (Quinn, 1992; Stewart, 1997; Trank et al. 2002). The presence of the knowledge level regarding the single companies can be different, and it is difficult to transfer the tacit knowledge existing within a firm. Therefore it is essential that the employees dispose of the capabilities at their entrance which enables them to take over this knowledge effectively.

It is often problematic in the case of young people entering the labor market that their skills do not meet the employers' expectations, since their training was too theory-oriented. The personal skills beyond the university courses became important in many

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<sup>3</sup> The Higher Education Act refers them as student colleges. These Hungarian student organizations are dedicated to improve the skills of their members. We use the expression college for advanced studies because the oldest organizations refer themselves this way.

<sup>4</sup> [http://hetivalasz.rcom.hu/felsooktatasi\\_rangsor/felsooktatasi-rangsor-2010-reszletes-modszertan-32572/](http://hetivalasz.rcom.hu/felsooktatasi_rangsor/felsooktatasi-rangsor-2010-reszletes-modszertan-32572/) – [http://www.felvi.hu/felveteli/ponthatarok\\_rangsorok/rangsorok/rangsorolasi\\_szempontok\\_2000\\_2010](http://www.felvi.hu/felveteli/ponthatarok_rangsorok/rangsorok/rangsorolasi_szempontok_2000_2010)

fields. So the employers look for comprehensive skilled colleagues who can be employed in different job situations (Kiss 2009, Cohen – Pfeffer 1986, Stross 1996). The most important competences are the good communication, organizing and problem solving ability, teamwork, flexibility, good stress taking and willingness to cooperation (Kiss 2008).

The talent is a critical factor of the corporate performance and competitiveness. The highly qualified employees beyond a certain level are not attracted mainly by money or other benefits, rather by professionally satisfying work and wide range of opportunities. Therefore managers have to focus on the above mentioned factors when attracting talents. On the other hand effectively identifying and contacting the potential applicants is also essential.

The traditional recruiting approach does not consider the soft characteristics of the firm offering the job, the applicants' expectations and the matching of these two factors. In this approach organizations buy only workforce and knowledge. But in the new one people are considered as a whole. Companies hire employees who are able to adapt to their organizational culture (Bowen et al. 1991, Hough 1984, Schmidt–Hunter 1981, Cohen–Levinthal 1990, Hamel 2000).

**Table 1. Structural changes in the War for Talent**

[Source: Michaels et al. (2001): The War for Talent. Harvard Business Press School, p. 6.)

**1. táblázat. Strukturális változások a tehetségekért folyó háborúban**

<b>The old reality</b>	<b>The new reality</b>
People need companies	Companies need people
Machines, capital, and geography are the competitive advantage	Talented people are the competitive advantage
Better talent makes some difference	Better talent makes a huge difference
Jobs are scarce	Talented people are scarce
Employees are loyal and jobs are secure	People are mobile and their commitment is short term
People accept the standard package they are offered	People demand much more

Many companies do not aim to keep their employees on the long run, rather hire new staff regularly in order to dispose over highly qualified co-workers permanently. Such companies do not consider the employees' satisfaction as part of their strategic human resource policy. This method risks that some of the highly qualified workforce leave the firm which is a great loss.

#### **4. Selection mechanisms**

One form of recruiting from external source<sup>5</sup> is the admission of fresh graduates. During this process companies have the opportunity to choose among enthusiastic, talented young people who bring dynamism in the corporate operation. But this way they take a huge risk, as the new employees' training is time-consuming and costly.

<sup>5</sup> In our present paper we disregard from the detailed study of the recruiting from internal source.



When firms plan their selection and recruiting methods, an important question is how to get in touch with the applicants. Depending on their inner structure, companies have to use various approaches and they test different abilities during the selecting process. Different strategies must be applied by the implementation of recruiting systems based on personal and institutional relationship, advertisements, presence on job fairs or hiring through an employment centers. The most significant way of recruiting is using advertisements. Personal acquaintance, relationships and job fairs' role are also important. Employment centers are less important, while HR adviser and head-hunter firms secure workforce only to special subfields.

Using the internet is the most common job-searching method among the graduated people (65%). In the last few years the role of the community sites has increased. Friends and acquaintances are on the second place (56%), while traditional printed press is third (54%).<sup>6</sup>

Many firms rely on their relationship-network, in order to find suitable applicants. Although it is a cheap alternative, it is not as varied as the employment websites or advertisements. Employment agencies, online advertising sites and advertising at universities are also often used.

Almost three quarter of the jobs are filled through personal acquaintance. Applicants are often informed about positions even before they are opened. This system could be beneficial, if the applicants get the job because of their skills. But from the aspect of talents it might be disadvantageous, if the decisive factor is the fact of the acquaintance instead of the candidate's suitability (Kiss 2008).

At many companies the identification with the corporate values begins even before the selection process starts<sup>7</sup>. Therefore the employees' social integration depends considerably on the applied recruiting techniques. The employer has to define the basic values and the capabilities needed to operate efficiently. There are a few companies which are able to identify the capabilities contributing to success. However that is essential to maintain a long-term operation (Dessler 1999).

More than four-fifth of the companies feel that they can not employ workforce in adequate quality and quantity from the labor market. Therefore the structure of the human capital does not fit to conditions which are necessary from the aspect of making strategic decisions. Nevertheless only three-quarter of the companies have developed appropriate selecting-recruiting method until 2007. (Online advertisement, acquaintance, printed press advertisement, internal recruiting, external services (employment centers, head-hunters), other). In the last years the role of e-recruiting has increased: online recruiting is cheap, efficient, and a wide range of applicants can be reached this way. Naturally corporate size influences the applicability of these solutions. A firm under 50 workers has different need for resources than a large company. Getting in touch is only the first step of the selecting process. The next stage is the assessment (Dara-Czakó 2008).

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<sup>6</sup> <http://www.workania.hu/cms/informaciok-rolunk/rolunk/sajtokozlemenyek/kampany-piackutatas-es-uj-szolgalatasok/42382?detail=1>

<sup>7</sup> The means of that are the clear communication of the corporate goals and values.

## 5. A Janus Pannonius College for Advanced Studies

'The aim of the student college is to provide high-standard and good quality professional education by way of developing a professional programme, and thereby to give support for gifted students, to encourage them to play an active role in public life, to contribute to the creation of infrastructure conditions and personal criteria of preparation for professional duties, and to educate students so that they become professionals who are receptive to social problems and ambitious enough to sustain a high standard in their profession. The student college rests on the principle of selfgovernance and the independent activity of student college members. Members of the student college shall especially decide on granting or terminating student college membership, the adoption of bylaws of the independent student college, the professional programme of the student college and pertaining performance criteria.' [Higher Education Act, 2005, Section 66, column (4)].

In Hungary there are about 70 – counting those beyond the borders 80 – colleges for advanced studies. They have about 2100–2300 active members. This is somewhat more than half percent of the total number of students (361 347)<sup>8</sup> in the Hungarian higher education system. According to the College for Advanced Studies' Charta, the main goal of the movement is to collect those talented students who want to become the intellectuals in the future and provide them all necessary conditions to reach this goal. Colleges for advanced studies operate democratically in accordance with the principle of self governance. They are politically neutral and decide independently on matters related to their own activity. Their autonomy also manifests in financial, structural, personal and infrastructural matters. One of their main aspirations is the cohabitation of their members, which strengthens the cohesion of the community and helps to maintain the inner transfer of knowledge.

Not all colleges for advanced studies meet all the expectations listed above: there are many so-called 'invisible colleges for advanced studies' where cohabitation has not been achieved. There are many types of colleges for advanced studies in accordance with the number of their members and their scientific orientation. Some organizations are founded by the students while others are created by the management of the university to ensure efficient talent management. Some of them are multidisciplinary, meaning that they accept members from more scientific field. Others are unidisciplinary, namely they focus on one area. The number of their members is varying from small communities with 7–10 members to relatively large organizations with 200 students. All type has its own advantage. Naturally, the environment in which they are operating has a large influence on the individual organizations' structures and inner processes.

The Janus Pannonius College for Advanced Studies (Hungarian: Janus Pannonius Közgazdasági Szakkollégium, abbreviated: JPKSZ) is operating on the Faculty of Business and Economics, University of Pécs. JPKSZ was founded in 2007 by 40 students of the Faculty and it is an unidisciplinary (economics) organization. The number of its members is varying between 35 and 70 in accordance with the characteristics of their regular university training. Cohabitation has not been achieved yet, so it exists as an 'invisible college for advanced studies'. The organizational and operational rules of JPKSZ declare 3 cornerstones: professionalism, community and responsiveness to social problems. The importance of these elements is equal. Their combination creates the inspirational, nurturing environment of the college for advanced studies.

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<sup>8</sup> [http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat\\_eves/i\\_zoi007a.html](http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_eves/i_zoi007a.html)



The selection process of JPKSZ contains multiple filters: general knowledge, literacy, thinking and a professional interview. To reach as many students as possible, the organization holds more information events throughout the course of the recruitment campaign and promotes itself during academic lectures and seminars. This method ensures that the college for advanced studies recruits the most talented students.

During the interview, not only the candidate's professional knowledge is assessed, but his or her general logic and argumentative skills too. The entire selection process is open to members of JPKSZ, who have opportunity to express their opinions. This ensures that the candidate's suitability is examined from as many viewpoints as possible.

The real talent management begins after the admission decision. Participating in several professional and social programs and team building events and carrying out organizational tasks strengthen the cornerstones mentioned above. The members recognize the outstanding accomplishments among them. This encourages every member to reach their full potential. During the extra courses they take, students receive high quality professional training. This ensures that talented students have access to additional knowledge which they can not acquire in the standard higher education due to the high number of students.

Talent management is carried through multiple means. All recently admitted members are allocated to a mentor team, where one or two older members introduce them to the explicit and tacit culture of the organization. Besides JPKSZ members participate in a work of one of several groups. These groups strengthen the cohesion of the organization and facilitate the professional development of the members. Their composition is varying in each semester. In their first semester, every member has to take a course which helps them to learn the support techniques (word processing, database management, creating official documents, writing tenders, making scientific papers) they will need later either for an academic career or for finding a job efficiently in the labor market. Aside from these support techniques, their interpersonal skills and professional knowledge can be improved by participating in the organization of events, conferences and competitions. The result of this kind of work can be clearly perceived: those who play major role in organizing an event become more independent, their arguments become more rational and synthesizing.

## 6. Summary

After briefly describing the state of the Hungarian higher education and drawing up the general concept of talent, we wrote about various corporate selection methods. We pointed out why companies need talented employees in the first place. Looking at the three emphasized forms of talent management in the Hungarian higher education (college for advanced studies, scientific conference for students, doctoral program) we found that colleges for advanced studies adequately combine the circumstances which ensure success in the labor market for their members. In addition to gathering students with skills above average, a college for advanced studies also provides means for their continuous professional development and nurtures their talents. The main aspects of this talent management are the selection process and the manifold training structure. We strongly believe that by training in a college for advanced studies, students who want to improve could obtain knowledge and experience that greatly helps them in their future workplace.

Companies should emphasize on developing a connection and maintaining continuous communication with colleges for advanced studies, providing them professional and financial support. By doing so they could connect to a strongly selected platform whose members are interested in self-development. Throughout this connection they could find the workforce they need cheaply and efficiently.

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